

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Hearing Date: June 28, 2023 at 1:00 p.m. (ET)

Obj. Deadline: April 6, 2023 at 4:00 p.m. (ET)

FIRST INTERIM FEE APPLICATION OF ALVAREZ & MARSAL NORTH AMERICA, LLC

Name of Applicant	Alvarez & Marsal North America, LLC
Authorized to Provide Professional Services to:	Debtors and Debtors-in-Possession
Date of Retention:	January 19, 2023 <i>nunc pro tunc</i> to November 11, 2022
Period for which compensation and reimbursement is sought:	November 11, 2022 through January 31, 2023
Amount of interim fees to be approved as, reasonable and necessary:	\$27,864,801.00
Amount of interim expenses sought as actual, reasonable and necessary:	\$631,004.78
Total compensation paid to date:	\$12,447,407.60
Total expenses paid to date:	\$406,985.94
Blended rate in this Application for all timekeepers	\$749.12
Number of professionals included in this Application	133
Number of professionals billing fewer than 15 hours to this Application during this period	9

This is a(n) ____ monthly ____x____ interim ____ final application

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

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Alvarez & Marsal North America, LLC (“A&M”), financial advisors to FTX Trading Ltd. and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”), hereby submits this *First Interim Fee Application* of Alvarez & Marsal North America, LLC (the “Application”) for allowance of compensation for professional services rendered and reimbursement of expenses incurred for the period from November 11, 2022 through and including January 31, 2023 (the “Application Period”). In support the Application, A&M respectfully states as follows:

Background

1. On November 11 and November 14, 2022,² the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) voluntary petitions for relief under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended or modified, the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their

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² November 11, 2022 is the petition date for all Debtors, except for Debtor West Realm Shires Inc.

properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Joint administration of the Debtors' cases (the "Chapter 11 Cases") was authorized by the Court by entry of an order on November 22, 2022 [D.I. 128]. On December 15, 2022, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors (the "Committee") pursuant to section 1102 of the Bankruptcy Code [D.I. 231].

2. On January 9, 2023, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [D.I. 435] (the "Interim Compensation Order").

3. On January 19, 2023, the Court entered the Order Authorizing the Retention and Employment of Alvarez & Marsal North America, LLC as Financial Advisors to the Debtors and Debtors-in-Possession Pursuant to Sections 327(a) and 328 of the Bankruptcy Code [D.I. 534], authorizing the retention and employment of A&M as the Debtors' financial advisors, nunc pro tunc to November 11, 2022.

4. On March 8, 2023, the Court entered the *Order (I) Appointing Fee Examiner and (II) Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [D.I.834] appointing Katherine Stadler (the "Fee Examiner") to serve as the fee examiner in these Chapter 11 Cases and establishing certain procedures in connection therewith.

Jurisdiction

5. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core

proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order or judgment by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

Relief Requested

6. By this Application and in accordance with the Interim Compensation Order, A&M seeks interim approval and allowance of its compensation for professional services rendered and reimbursement of expenses incurred for the Application Period (the “Period Compensation”), including authorization for the Debtors to pay the 20% holdback of fees as provided under the Interim Compensation Order (the “Holdback”). A&M has filed and served monthly fee applications covering the Application Period (collectively, the “Monthly Fee Applications”). Each of the Monthly Fee Applications is incorporated by reference as if fully set forth herein. For the avoidance of doubt, by this Application, A&M is seeking only allowance of the Period Compensation previously set forth in the Monthly Fee Applications and payment of the Holdback. Other than the Holdback, A&M is not requesting additional fees or expense reimbursement above the Period Compensation.

7. In accordance with the United States Trustee’s *Guidelines For Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases* (the “U.S. Trustee Guidelines”), this Application is supported by the following exhibits:

- **Exhibit A**: a summary of compensation by each professional of A&M that worked on the Chapter 11 Cases;
- **Exhibit B**: a summary of compensation by project category;

- **Exhibit C**: an expense summary;
- **Exhibit D**: the Certification of Edgar W. Mosley II in support of the Application.

Compensation Requested

8. A&M seeks interim allowance of fees in the amount of \$27,864,801.00 for services rendered during the Application Period and \$631,004.78 of related expenses, which were incurred during the Application Period. In addition, A&M requests that the Debtors be authorized to pay the \$5,572,960.20 in fees representing the twenty percent (20%) “holdback” of fees.

9. The services performed by A&M during the Application Period included, among others, assistance with the preparation of first and second day pleadings and related evidentiary support, identification and recovery of assets, development of accounting records and reporting procedures, vendor outreach and management services, statements and schedules preparation, analysis of contracts, cooperation with various constituencies including the Official Committee of Unsecured Creditors and the U.S. Trustee, evaluating potential preference and avoidance actions, assistance with cash management services, assist with tax related matters, and the development of operational restructuring strategies.

Notice

10. Notice of this Application has been provided to: (a) the U.S. Trustee; (b) the Committee; (c) the Fee Examiner and (d) all parties required to be given notice in the Interim Compensation Order. A&M submits that, in light of the nature of the relief requested, no other or further notice need be provided.

Conclusion

WHEREFORE, A&M respectfully requests that the Court (i) approve the Application and (ii) grant such further relief as is just and proper.

Respectfully,

Alvarez & Marsal North America, LLC

By: Ed Mosley
Edgar W. Mosley II
Title: Managing Director